



Validus Holdings, Ltd.

ASSOCIATION OF INSURANCE AND FINANCIAL ANALYSTS CONFERENCE
INVESTOR PRESENTATION – FOURTH QUARTER AND YEAR ENDED 2011

Cautionary Note Regarding Forward-looking Statements

This presentation may include forward-looking statements, both with respect to us and our industry, that reflect our current views with respect to future events and financial performance. Statements that include the words “expect,” “intend,” “plan,” “believe,” “project,” “anticipate,” “will,” “may” and similar statements of a future or forward-looking nature identify forward-looking statements. All forward-looking statements address matters that involve risks and uncertainties. Accordingly, there are or will be important factors that could cause actual results to differ materially from those indicated in such statements and, therefore, you should not place undue reliance on any such statements. We believe that these factors include, but are not limited to, the following: 1) unpredictability and severity of catastrophic events; 2) rating agency actions; 3) adequacy of Validus’ risk management and loss limitation methods; 4) cyclical nature of demand and pricing in the insurance and reinsurance markets; 5) statutory or regulatory developments including tax policy, reinsurance and other regulatory matters; 6) Validus’ ability to implement its business strategy during “soft” as well as “hard” markets; 7) adequacy of Validus’ loss reserves; 8) continued availability of capital and financing; 9) retention of key personnel; 10) competition; 11) potential loss of business from one or more major insurance or reinsurance brokers; 12) Validus’ ability to implement, successfully and on a timely basis, complex infrastructure, distribution capabilities, systems, procedures and internal controls, and to develop accurate actuarial data to support the business and regulatory and reporting requirements; 13) general economic and market conditions (including inflation, volatility in the credit and capital markets, interest rates and foreign currency exchange rates); 14) the integration of businesses Validus may acquire or new business ventures Validus may start; 15) the effect on Validus’ investment portfolios of changing financial market conditions including inflation, interest rates, liquidity and other factors; 16) acts of terrorism or outbreak of war; and 17) availability of reinsurance and retrocessional coverage, as well as management’s response to any of the aforementioned factors.

The foregoing review of important factors should not be construed as exhaustive and should be read in conjunction with the other cautionary statements that are included herein and elsewhere, including the Risk Factors included in our most recent reports on Form 10-K and Form 10-Q and other documents on file with the Securities and Exchange Commission. Any forward-looking statements made in this presentation are qualified by these cautionary statements, and there can be no assurance that the actual results or developments anticipated by us will be realized or, even if substantially realized, that they will have the expected consequences to, or effects on, us or our business or operations. We undertake no obligation to update publicly or revise any forward-looking statement, whether as a result of new information, future developments or otherwise.

Selected Market Information at December 31, 2011

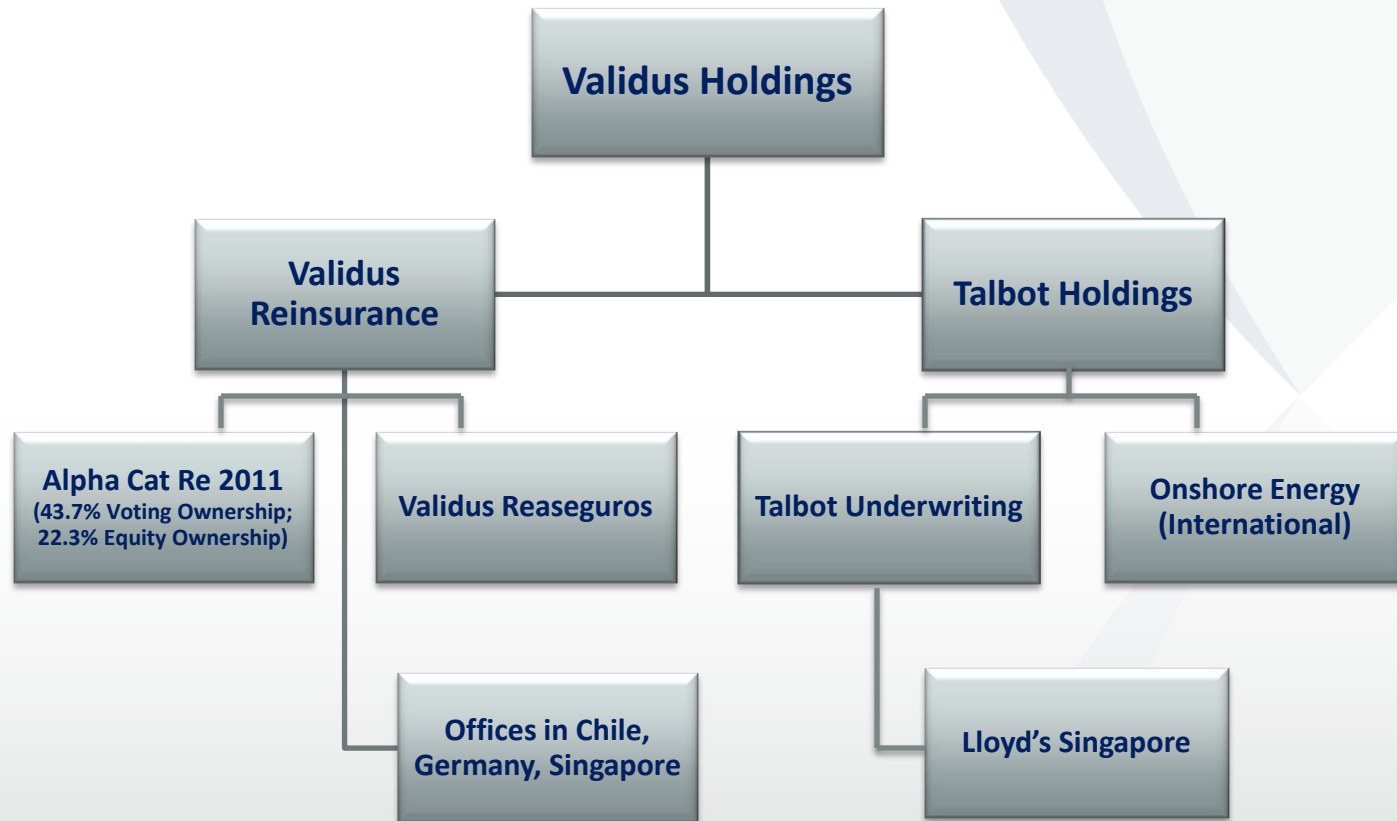
Exchange / Ticker:	NYSE / "VR"
Share Price:	\$31.50
Primary Shares Outstanding:	99,471,080
Primary Market Capitalization	\$3.13 billion
Annual Dividend/Yield:	\$1.00 per share (3.17%)
Analyst Coverage:	Matt Carletti, JMP Securities Jay Cohen, Bank of America Merrill Lynch Dean Evans, Keefe, Bruyette & Woods Julia Ferguson, Dowling & Partners Matt Heimermann, J.P. Morgan Amit Kumar, Macquarie Brian Meredith, UBS Michael Nannizzi, Goldman Sachs Josh Shanker, Deutsche Bank Meyer Shields, Stifel Nicolaus

Validus Overview

- International reinsurance and insurance business
- Size and scale to compete effectively
- Two distinct yet complementary operating companies
- Focused on short-tail classes of reinsurance and insurance
- Leadership position in property catastrophe reinsurance
- Profitable in every year since inception
- Short duration, highly liquid, conservative balance sheet
- Transparent risk disclosure

Global Operating Platform

Global Presence: Bermuda, Europe, Latin America/Miami, London, Singapore

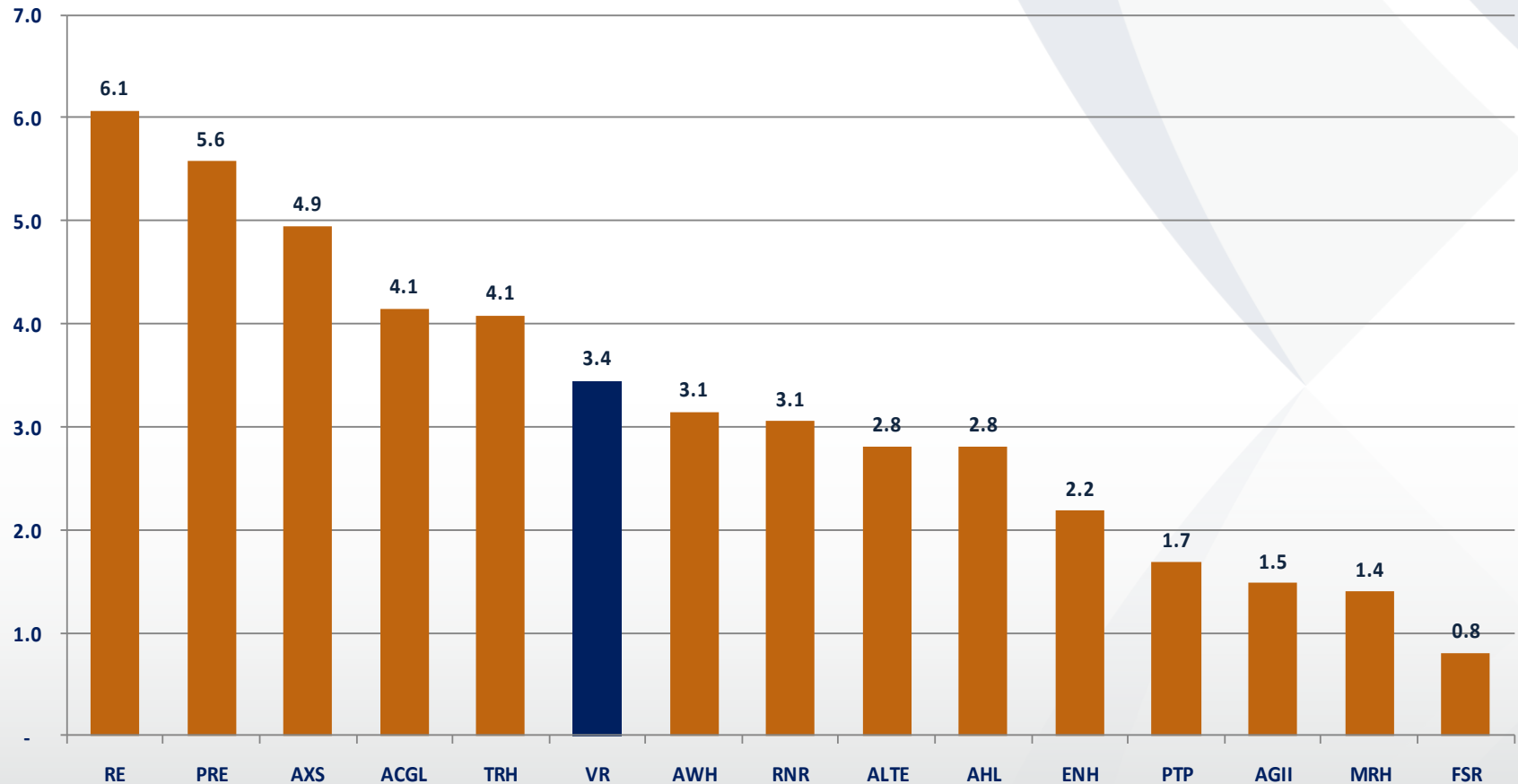


(a) Certain subsidiaries have been excluded for the purposes of presentation. For a complete organizational description see the company's most recent Annual Report on Form 10-K.

(b) AlphaCat Re 2011 Ltd. is a non-consolidated affiliate.

Validus Shareholders' Equity vs. Selected Peers

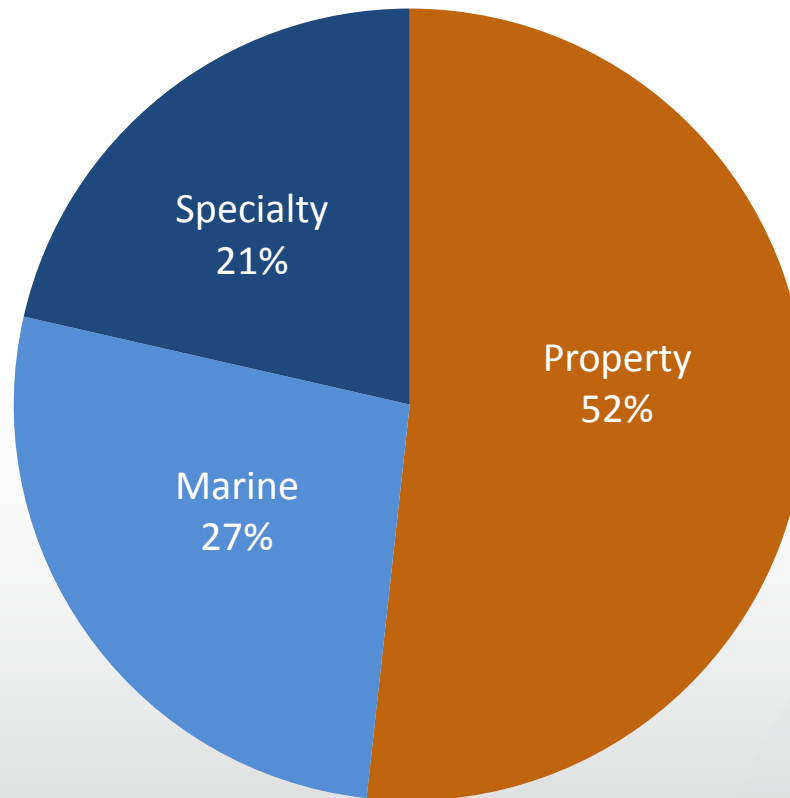
Peer Comparison – Q4 2011 Common Shareholders' Equity in \$US Billions



Source: SNL Financial and company reports

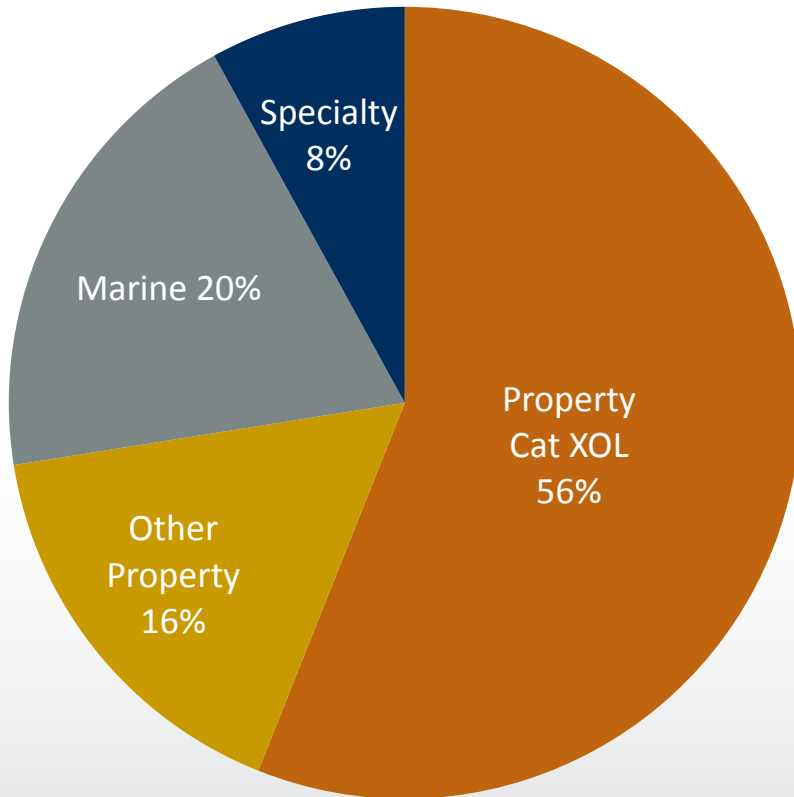
Validus is Focused on Short-Tail Specialty Classes

2011 Gross Premium Written of \$2.1 billion
96% of Business is Short Tail



Validus Reinsurance, Ltd.

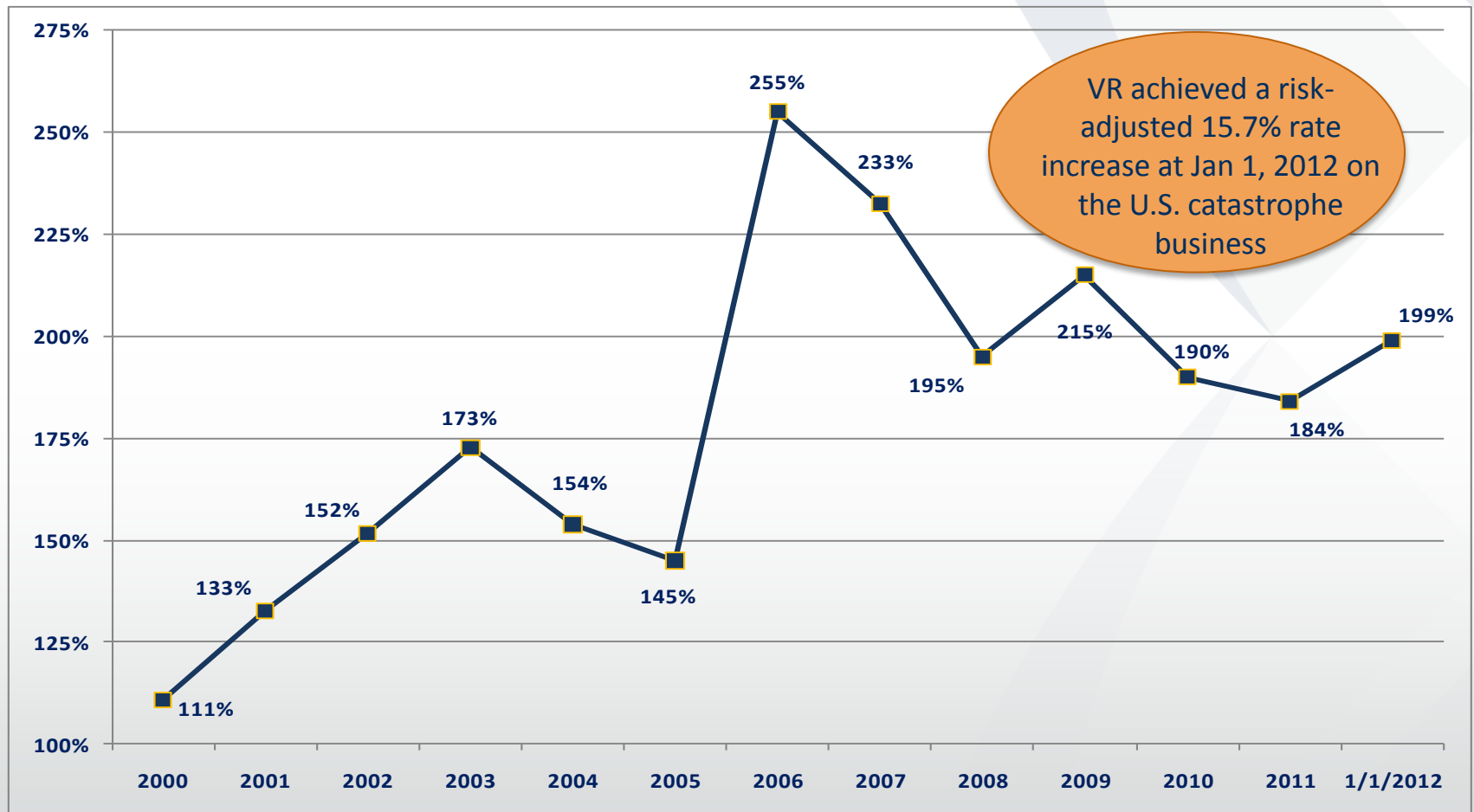
2011 Gross Premium Written of \$1.2 billion



- Operates in the best priced segments of the reinsurance industry
- Leadership position in property catastrophe reinsurance
- \$667 million of 2011 property cat GPW
- Analytics based underwriting culture
- Experienced underwriting team
- Quoting market, not a “price taker”

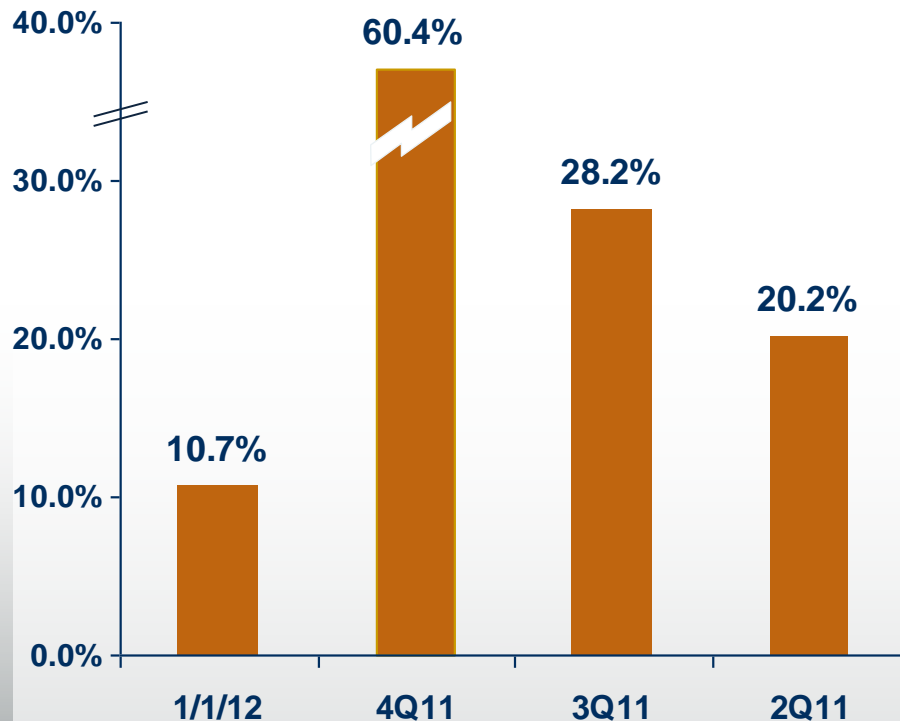
The Property Catastrophe Rate Environment Continues to be Favorable

U.S. Property Catastrophe Rate on Line Index



Managed Premiums – Validus and Third Party Capital

Jan 1, 2012 and last three quarters growth in managed premiums



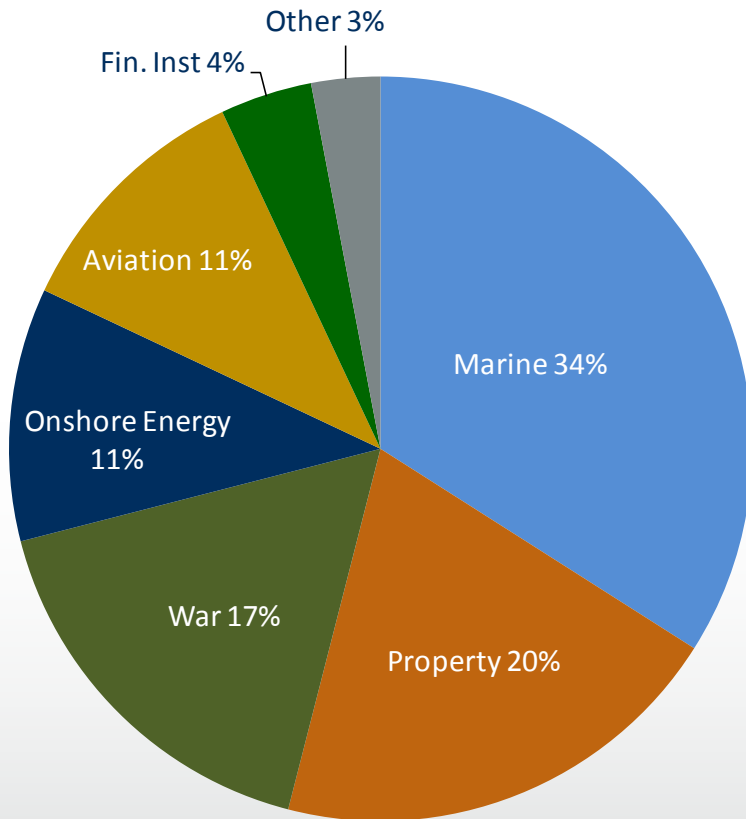
(a) The above table reflects the quarter on quarter growth in Validus Managed Premium since Alpha Cat Re's inception in Q2 2011.

Alpha Cat Re 2011

- Writes collateralized, low attachment point retrocessional and similar risks
- Formed in May 2011 with \$185mm of capital, \$135mm from third parties
- \$60mm GPW during June-Dec, 2011
- December, 2011: \$60mm additional capital raise and \$11mm of proceeds from the sale of shares
- \$76mm GPW at Jan 1, 2012

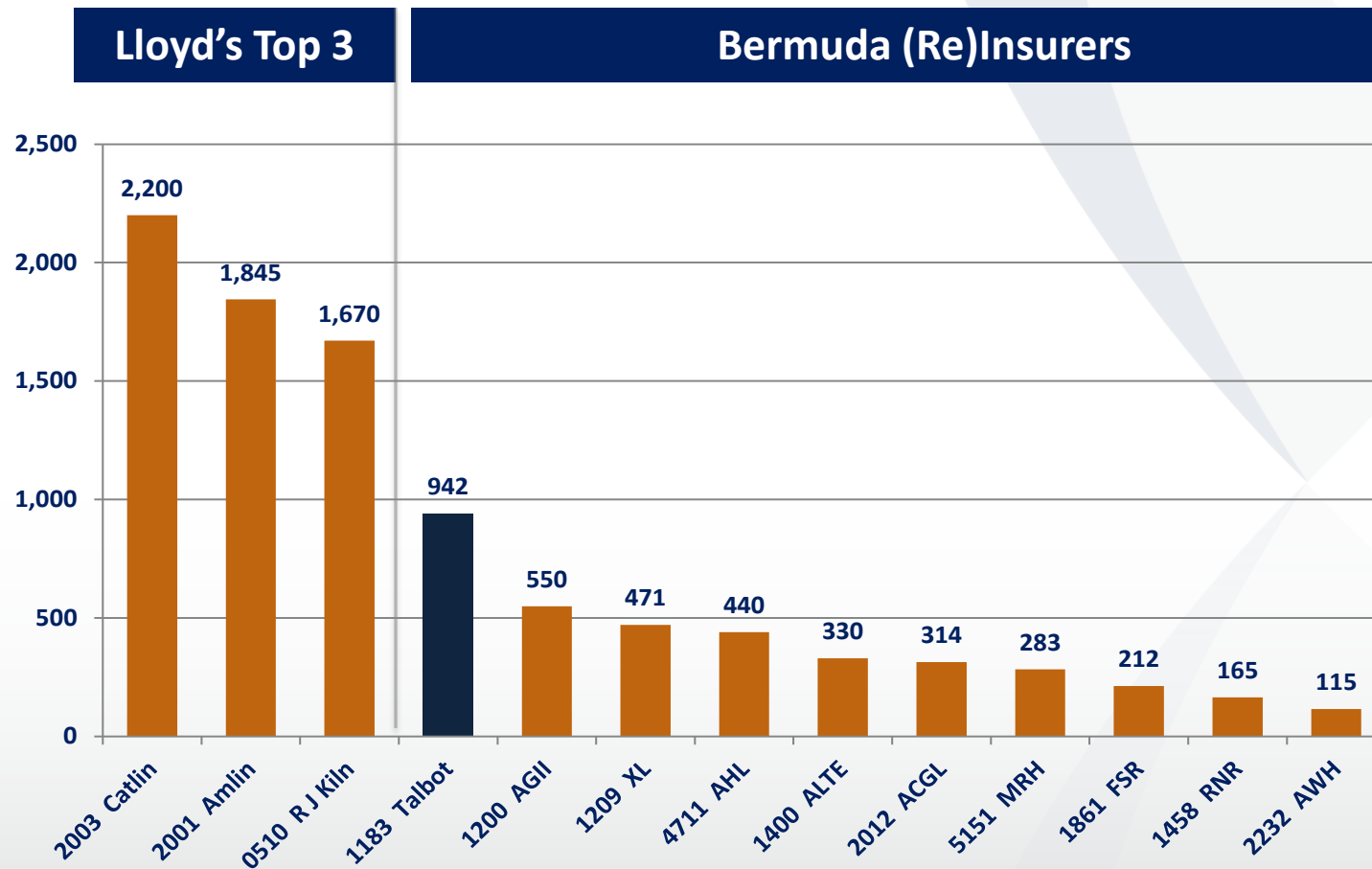
Talbot Holdings, Ltd.

2011 Gross Premium Written of \$1.0 billion



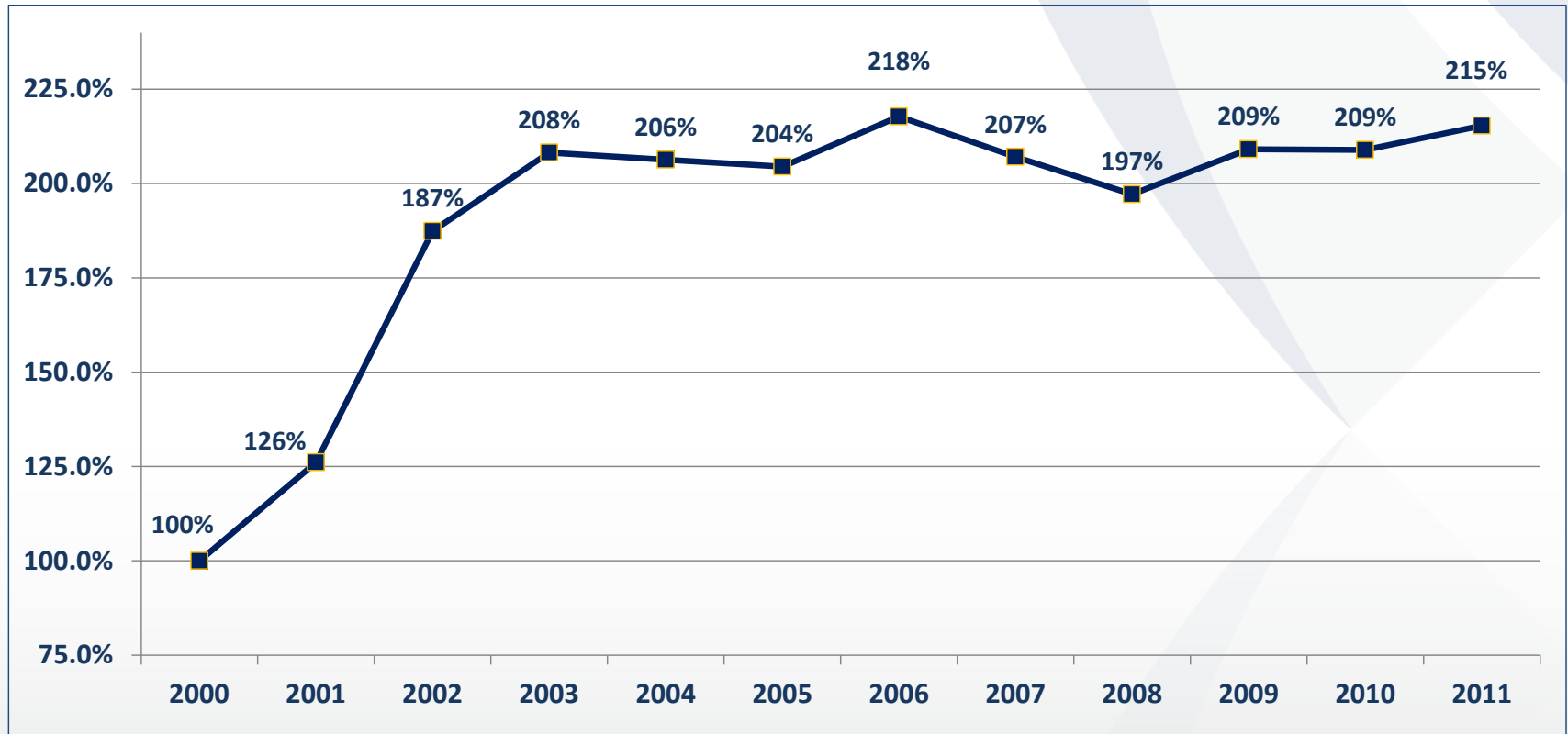
- Well diversified portfolio of short-tail business focused on insurance
- Leader in the War and Marine classes
- Most risks are non-U.S.
- \$328 million of reserve releases since 2007 acquisition
- Provides global licensing and other Lloyd's benefits

2012 Lloyd's Syndicate Capacities – In US\$ Millions



Source: Lloyd's of London, Aon Benfield and Company Reports. Converted at rate of exchange £1.00 = \$1.57

Talbot Composite Rate Index – 2000 through 2011



(a) Rate index reflects the whole account rate change, as adjusted for changes in exposure, inflation, attachment point and terms and conditions.

Transparent Risk Disclosure – January 1, 2012 Portfolio

Probable Maximum Losses by Zone and Peril

(Expressed in thousands of U.S. Dollars)

		<u>Consolidated (Validus Re and Talbot) Estimated Net Loss</u>				Validus Re Net Maximum Zonal Aggregate
<u>Zones</u>	<u>Perils</u>	<u>20 year return period</u>	<u>50 year return period</u>	<u>100 year return period</u>	<u>250 year return period</u>	
United States	Hurricane	445,374	706,886	888,282	1,091,720	
California	Earthquake	43,883	135,853	228,565	368,370	1,474,982
Europe	Windstorm	143,649	295,831	437,222	627,212	1,500,548
Japan	Earthquake	74,999	138,904	167,419	237,769	748,287
Japan	Typhoon	27,601	109,098	198,283	273,062	729,693

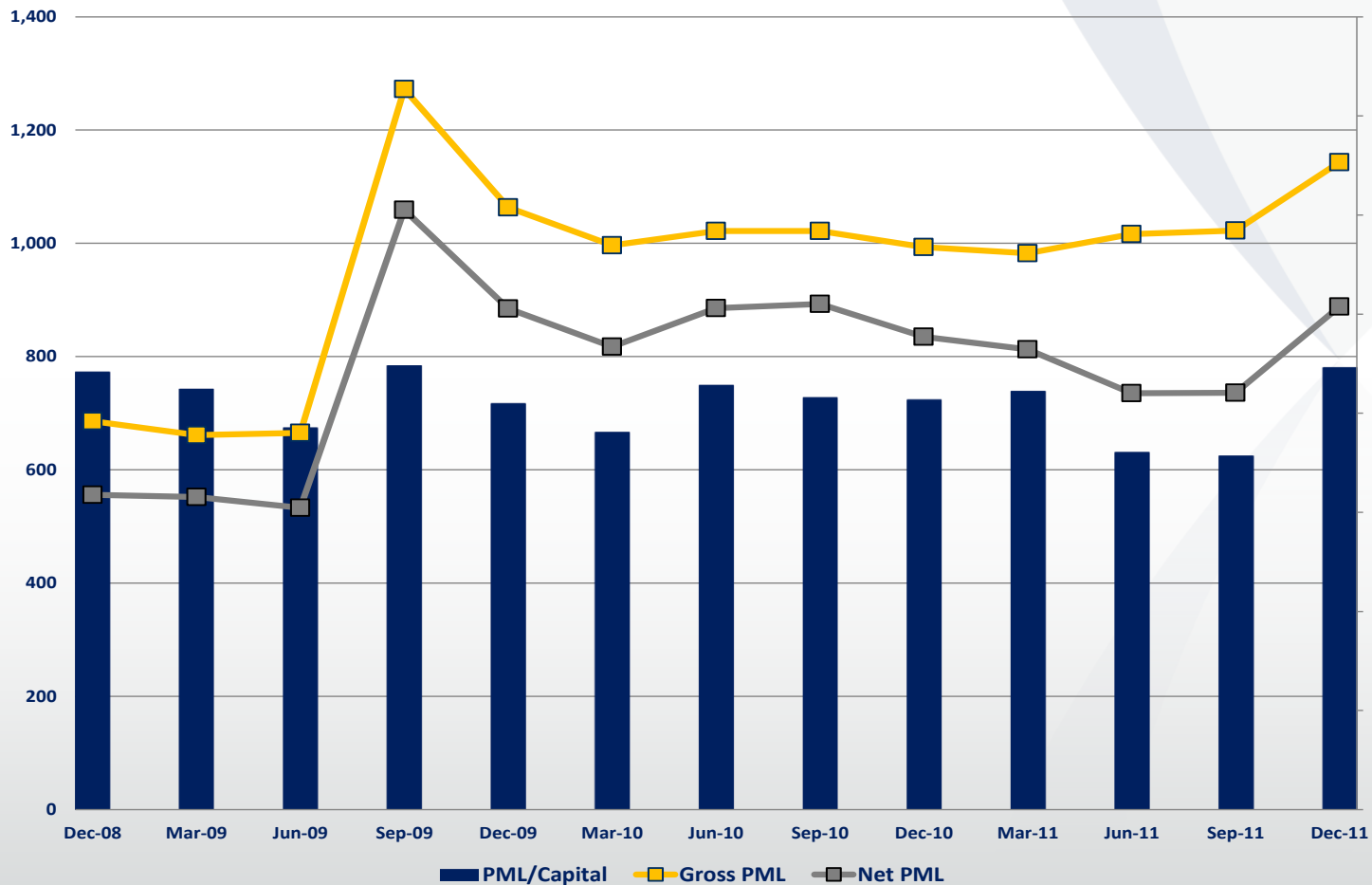
1:100 year PML equal to 22.3% of quarter end capital, 25.8% of shareholders' equity

(a) A full explanation and disclaimer is contained in the note on non-GAAP financial and other measures found in the Appendix hereto.

(b) Note that the PML data presented reflects the incorporation of RMS 11.

Ratio of 1:100 U.S. Windstorm Risk to Capital Over Time

Note that the PML data as of December 2011 reflects the incorporation of RMS 11



Realistic Disaster Scenarios

Consolidated (Validus Re and Talbot) Realistic Disaster Scenarios (RDS)
Estimates as of July 1, 2011 (Expressed in millions of U.S. Dollars)

Type	Catastrophe Scenarios	Description	Estimated Consolidated Net Loss (Validus Re and Talbot)	
			\$	%
Terrorism	Rockefeller Center	Midtown Manhattan suffers a 2-tonne conventional bomb blast	228.8	12.7%
Terrorism	Exchange Place	Lower Manhattan suffers a 2-tonne conventional bomb blast	155.9	8.7%
Marine	Marine collision in Prince William Sound	Fully laden tanker collides with a cruise vessel in Prince William Sound	174.0	9.7%
Marine	Major cruise vessel incident	US-owned cruise vessel sunk or severely damaged	139.4	7.7%
Marine	Loss of major complex	Total loss to all platforms and bridge links of a major oil complex	225.3	12.5%
Aviation	Aviation collision	Collision of two aircraft over a major city	67.1	3.7%
Satellite	Proton flare	Large single or sequence of proton flares results in loss to all satellites in synchronous orbit	25.1	1.4%
Satellite	Generic defect	Undetected defect in a number of operational satellites causing major loss	34.1	1.9%
Liability	Professional lines	Failure or collapse of a major corporation	30.7	1.7%
Liability	Professional lines	UK pensions mis-selling	17.2	1.0%
Political Risks	South East Asia	Chinese economy has a "hard landing" with sharp fall in growth rates; regional contagion	100.9	5.6%
Political Risks	South America	Severe economic crisis in Brazil due to political upheaval; regional contagion	130.6	7.2%
Political Risks	Middle East	US and Iran escalate into military confrontation; regional contagion	147.0	8.2%
Political Risks	Russia	The Russian corporate sector. Effects of crashing commodity and stock prices	45.1	2.5%
Political Risks	Turkey	Severe economic crisis in Turkey due to political upheaval	95.6	5.3%

Fourth Quarter 2011 Financial Results

Quarterly Highlights

7.6% growth in gross premiums written
(60.4% at Validus Re and -1.2% at Talbot)

Net income available to Validus of **\$27.3 million** and diluted EPS of **\$0.25**

3.2% ROAE and **2.7%** net operating ROAE

97.4% combined ratio
(101.0% at Validus Re and 87.4% at Talbot)

Net operating income available to Validus of **\$23.4 million** and diluted operating EPS of **\$0.21**

Diluted book value per share of **\$32.28**
0.9% growth (including dividend) in Q4'11

(a) VR diluted book value per share, operating income and operating ROAE are non-GAAP financial measures.

(b) ROAE and operating ROAE are presented on an annualized basis.

Validus Holdings, Ltd. – Quarterly Comparison

- Gross premiums written increased 7.6% to \$278.3 million
 - 60.4% increase in Validus Re, largely due to the impact of AlphaCat Re 2011, 1.2% decrease in Talbot
- Net premiums earned increased 12.8% to \$488.3 million
 - 13.3% increase in Validus Re, 12.3% increase in Talbot. AlphaCat Re 2011 and reinstatement premiums drove the increase
- Net investment income increased from third quarter 2011 by \$0.3 million to \$28.1 million
 - Annualized effective investment yield increased 4bps to 1.84%

Validus Holdings, Ltd.

(Expressed in thousands of U.S. Dollars, except ratios, share and per share information)

	December 31, 2011	December 31, 2010
Gross premiums written	\$ 278,279	\$ 258,731
Net premiums written	261,790	223,355
Net premiums earned	488,346	432,811
Net underwriting income	12,774	139,681
Net investment income	28,080	30,962
Net operating income	31,077	156,351
Net income (a)	27,324	102,687
Diluted net income per share (a)	\$ 0.21	\$ 1.40
Diluted net operating income per share	\$ 0.25	\$ 0.92
Selected Ratios		
Losses and loss expenses	68.6%	35.9%
Policy acquisition costs	16.6%	17.4%
General and administrative expenses	12.2%	14.4%
Expense ratio	28.8%	31.8%
Combined ratio	97.4%	67.7%
Impact of identified loss events (b)	11.1%	12.0%
Impact of prior period development (favorable)/unfavourable	-8.8%	-7.1%

(a) Income represents that which is available (attributable) to Validus and excludes that which is available (attributable) to the noncontrolling interest.

(b) Q4 2011 impacted by \$54.1 million Thailand floods. Q4 2010 impacted by Queensland floods \$25.0 million, Political violence \$12.5 million, Satellite loss \$8.8 million and Financial institution loss \$5.5 million.

Profitable in All Six Years of Operation – 2006 Through 2011

- 2008

- The year of the credit crisis and Hurricane Ike
- Only VR plus 4 of our 14 peers were profitable
- Only VR and RNR were profitable out of the short-tail peer subgroup

- 2011

- Nearly \$110 billion of insured catastrophe losses
- Again, only VR plus 4 of our 14 peers were profitable
- Only VR was profitable out of the short-tail peer subgroup

(a) Profitability is defined as comprehensive income for 2006 through 2011.

(b) SNL Financial does not currently have comprehensive income for AGII and RNR in 2011. Profitability for AGII and RNR in 2011 is defined as net income.

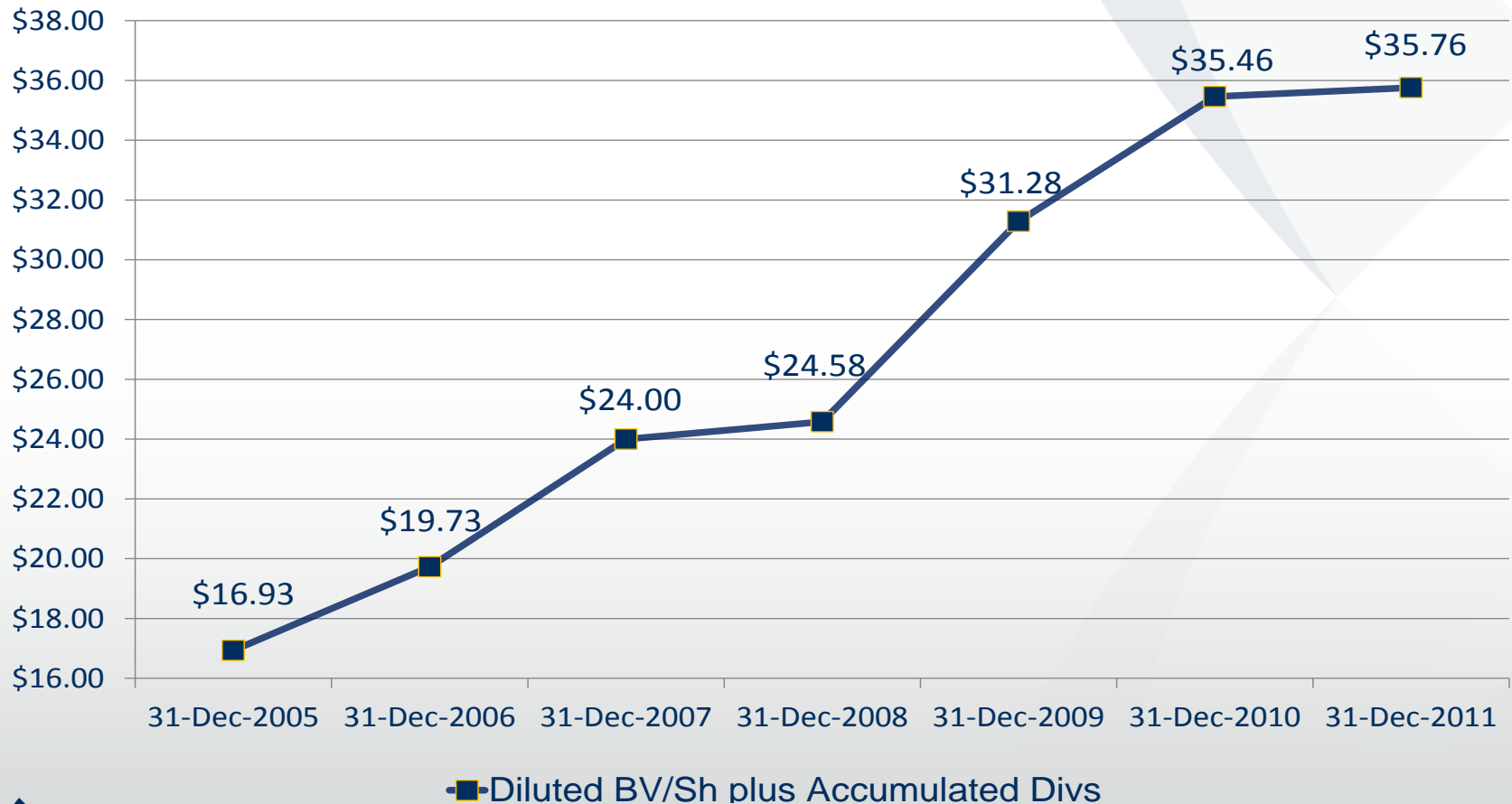
(c) VR Peer group: ACGL, AGII, AHL, ALTE, AWH, AXS, ENH, FSR, MRH, PRE, PTP, RE, RNR, TRH and VR.

(d) Short-tail peer subgroup includes: FSR, MRH, RNR and VR.

Source: SNL Financial and company reports

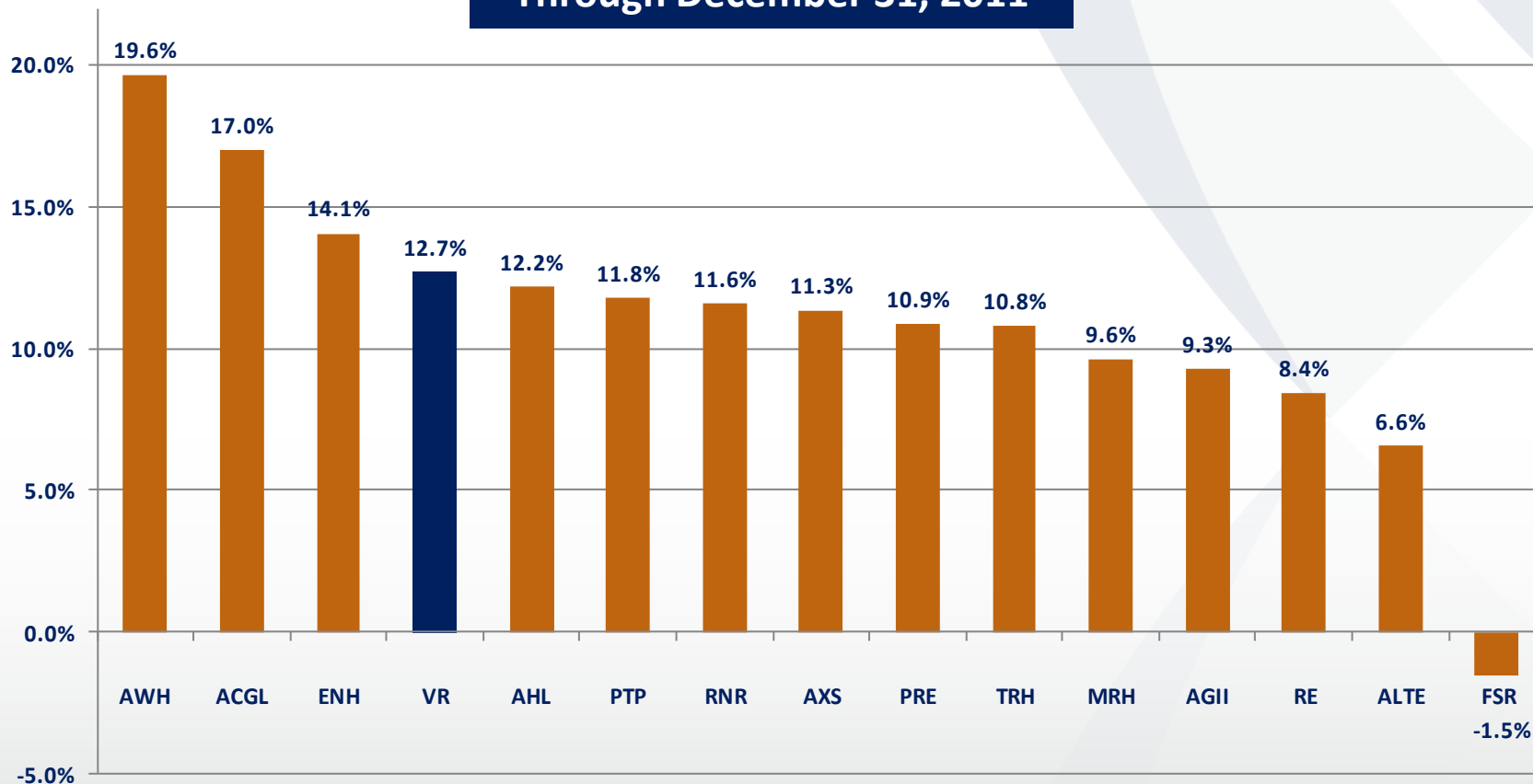
Growth in Diluted Book Value Per Share Plus Accumulated Dividends

13.3% Compound Annual Growth in Dividend Adjusted Diluted BVPS Through December 31, 2011



Compound Growth in Diluted Book Value per Share – Since Validus IPO

Through December 31, 2011

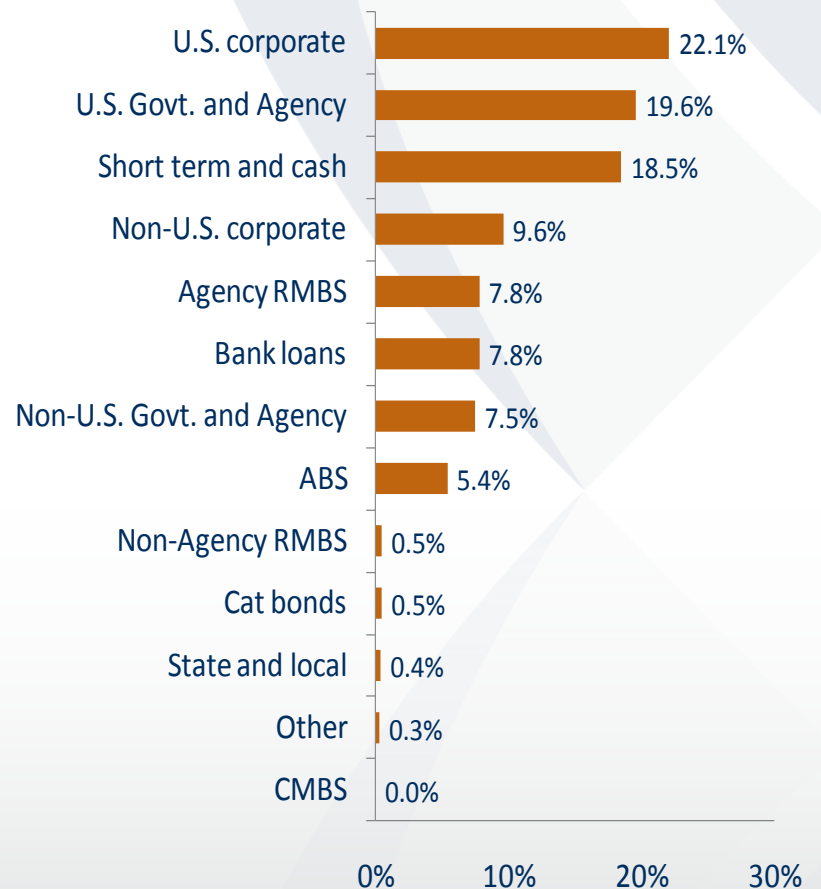


- (a) VR starting point is Pro Forma diluted BVPS at June 30, 2007 of \$20.89 as reported in the IPO Prospectus.
 (b) Diluted book value per share calculation includes impact of quarterly dividends.

Source: SNL Financial and company reports

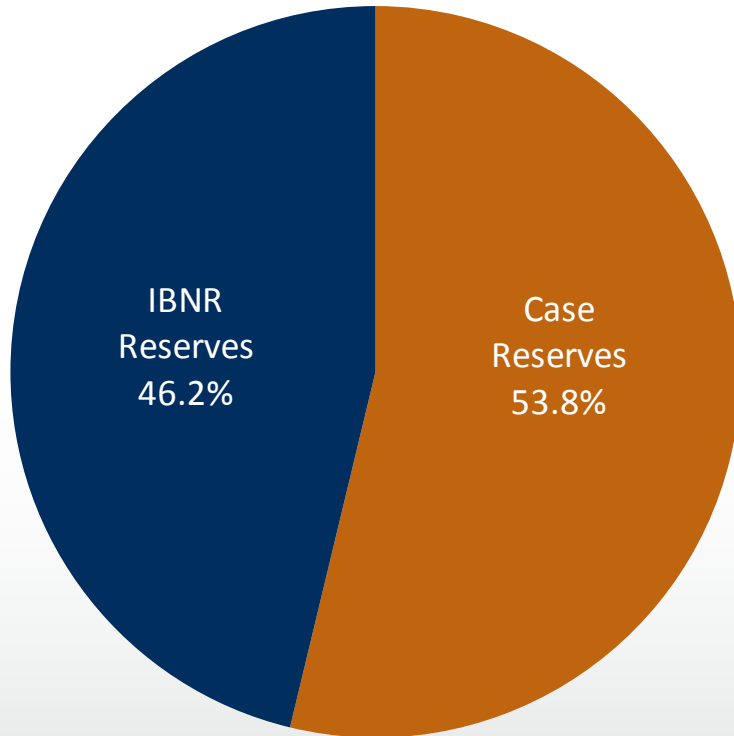
Investment Portfolio at December 31, 2011

- Total cash and invested assets of \$6.02 billion
 - Emphasis on the preservation of invested assets
 - Provision of sufficient liquidity for prompt payment of claims
 - Comprehensive portfolio disclosure
- Average portfolio rating of AA-
- Minimum average credit quality of AA-
- Duration of 1.63 years
- Quarterly average investment yield: 1.84%



Gross Loss Reserves at December 31, 2011

Validus Gross Reserve Mix



Observations

- Gross reserves for losses and loss expenses of \$2.63 billion:
 - \$2.26 billion net of reinsurance
- IBNR represents 46.2% of reserves:
 - \$54.1 million of notable losses in the 4th quarter, 2011
- Talbot has a history of favorable reserve development:
 - \$327.8 million since acquisition
- Favorable reserve development in the quarter of \$42.8 million:
 - Talbot favorable development of \$35.7 million
 - Validus Re favorable development of \$7.1 million

Conclusion – Well Positioned for 2012 and Beyond

- International reinsurance and insurance business
- Size and scale to compete effectively
- Two distinct yet complementary operating companies
- Focused on short-tail classes of reinsurance and insurance
- Leadership position in property catastrophe reinsurance
- Profitable in every year since inception
- Short duration, highly liquid, conservative balance sheet
- Transparent risk disclosure



Investor Presentation

FOURTH QUARTER AND YEAR ENDED 2011

APPENDIX

Balance Sheet

(Expressed in thousands of U.S. Dollars, except share and per share information)

	<u>December 31, 2009</u>	<u>December 31, 2010</u>	<u>December 31, 2011</u>
Assets			
Fixed maturities	\$ 4,869,378	\$ 4,823,867	\$ 4,894,145
Short-term investments	481,766	273,514	280,191
Other investments	37,615.0	21,478	16,787
Cash and cash equivalents	387,585	620,740	832,844
Total investments and cash	5,776,344	5,739,599	6,023,967
Goodwill and Intangible assets	143,448	139,286	135,124
Other assets	1,099,348	1,181,993	1,459,380
Total assets	\$ 7,019,140	\$ 7,060,878	\$ 7,618,471
Liabilities			
Reserve for losses and loss expenses	\$ 1,622,134	\$ 2,035,973	\$ 2,631,143
Unearned premiums	724,104	728,516	772,382
Other liabilities	351,982	254,884	229,739
Senior notes payable	-	246,874	246,982
Debentures payable	289,800	289,800	289,800
Total liabilities	\$ 2,988,020	\$ 3,556,047	\$ 4,170,046
Shareholders' equity			
Capital	\$ 2,693,309	\$ 1,872,656	\$ 1,904,696
Retained earnings	1,337,811	1,632,175	1,543,729
Total shareholders' equity	4,031,120	3,504,831	3,448,425
Total liabilities and shareholders' equity	\$ 7,019,140	\$ 7,060,878	\$ 7,618,471
<i>Debt to capital ratio</i>	<i>0.0%</i>	<i>6.1%</i>	<i>6.2%</i>
<i>Debt and hybrid to capital ratio</i>	<i>6.7%</i>	<i>13.3%</i>	<i>13.5%</i>
<i>Investments and cash to equity</i>	<i>143.3%</i>	<i>163.8%</i>	<i>174.7%</i>

Impact of Notable Losses During the Quarter – 2011 Q4

Event In \$US (000)s	Description	Validus Re	Talbot	Total	Loss/LAE Net of Reinstate. Premium	Total (% of NPE) (a)
Thailand floods	Multiple flooding events	22,964	31,184	54,148	55,471	11.1%
Total		22,964	31,184	54,148	55,471	11.1%

(a) Based on total notable losses excluding the effect of the reinstatement premium.

Net Operating Income Reconciliation

Validus Holdings, Ltd.

Non-GAAP Financial Measure Reconciliation

Net Operating Income (Loss) available (attributable) to Validus, Net Operating Income (Loss) per share available (attributable) to Validus and Annualized Net Operating Return on Average Equity

(Expressed in thousands of U.S. Dollars, except share and per share information)

	Three months ended		Year ended	
	December 31, 2011	December 31, 2010	December 31, 2011	December 31, 2010
Net income (loss) available (attributable) to Validus	\$ 27,324	\$ 102,687	\$ 21,329	\$ 402,564
Adjustments for:				
Net realized (gains) losses on investments	(5,355)	14,399	(28,532)	(32,498)
Net unrealized (gains) losses on investments	(2,159)	42,689	19,991	(45,952)
Foreign exchange (gains) losses	(266)	(3,424)	22,124	(1,351)
Transaction expenses	3,850	-	17,433	-
Net operating income available to Validus	23,394	156,351	52,345	322,763
less: Dividends and distributions declared on outstanding warrants	(1,728)	(1,746)	(7,644)	(6,991)
Net operating income available to Validus, adjusted	\$ 21,666	\$ 154,605	\$ 44,701	\$ 315,772
Net income (loss) per share available (attributable) to Validus - diluted	0.25	0.92	0.14	3.34
Adjustments for:				
Gain on bargain purchase, net of expenses	-	-	-	-
Realized (gain) on repurchase of debentures	-	-	-	-
Net realized (gains) losses on investments	(0.06)	0.13	(0.28)	(0.27)
Net unrealized (gains) losses on investments	(0.02)	0.38	0.19	(0.38)
Foreign exchange (gains) losses	-	(0.03)	0.22	(0.01)
Transaction expenses	0.04	-	0.17	-
Net operating income per share available to Validus - diluted	\$ 0.21	\$ 1.40	\$ 0.44	\$ 2.68
Weighted average number of common shares and common share equivalents	101,324,291	111,316,736	100,928,284	120,630,945
Average shareholders' equity available to Validus	3,446,147	3,633,058	3,424,153	3,731,945
Annualized net operating return on average equity	2.7%	17.2%	1.5%	8.6%

Diluted Book Value Per Share Reconciliation

Validus Holdings, Ltd.

(Expressed in thousands of U.S. Dollars, except share and per share information)

	December 31, 2011			
	Equity amount	Shares	Exercise Price (a)	Book value per share
<u>Book value per common share, reported</u>				
Book value per common share				
Total shareholders' equity available to Validus	\$ 3,448,425	99,471,080		<u>\$ 34.67</u>
Diluted book value per common share				
Total shareholders' equity available to Validus	\$ 3,448,425	99,471,080		
Assumed exercise of outstanding warrants (b)	121,445	6,916,678	\$ 17.56	
Assumed exercise of outstanding stock options (b)	45,530	2,263,012	\$ 20.12	
Unvested restricted shares	-	3,340,728		
Diluted book value per common share	<u>\$ 3,615,400</u>	<u>111,991,498</u>		<u>\$ 32.28</u>

(a) Weighted average exercise price for those warrants and stock options that have an exercise price lower than book value per share.

(b) Using the "as-if-converted" method, assuming all proceeds received upon exercise of warrants and stock options will be retained by the Company and the resulting common shares from exercise remain outstanding.

Notes on Non-GAAP and Other Financial and Exposure Measures

In presenting the Company's results herein, management has included and discussed certain schedules containing underwriting income (loss) available (attributable) to Validus, net operating income (loss) available (attributable) to Validus, annualized return on average equity and diluted book value per common share that are not calculated under standards or rules that comprise U.S. GAAP. Such measures are referred to as non-GAAP. Non-GAAP measures may be defined or calculated differently by other companies. We believe that these measures are important to investors and other interested parties. These measures should not be viewed as a substitute for those determined in accordance with U.S. GAAP.

The underwriting results of an insurance or reinsurance company are often measured by reference to its underwriting income because underwriting income indicates the performance of the company's core underwriting function. Underwriting income is reconciled to net income by the addition or subtraction of net investment income (loss), finance expenses, transaction expenses, net realized gains (losses) on investments, net unrealized gains (losses) on investments and foreign exchange gains (losses).

Net operating income (loss) available (attributable) to Validus is calculated based on net income (loss) available (attributable) to Validus excluding net realized gains (losses), net unrealized gains (losses) on investments, gains (losses) arising from translation of non-US\$ denominated balances and non-recurring items. Net income is the most directly comparable GAAP measure. Net operating income focuses on the underlying fundamentals of our operations without the influence of realized gains (losses) from the sale of investments, net unrealized gains on investments, translation of non-US\$ currencies and non-recurring items. Realized gains (losses) from the sale of investments are driven by the timing of the disposition of investments, not by our operating performance. Gains (losses) arising from translation of non-US\$ denominated balances are unrelated to our underlying business.

Diluted book value per share is calculated based on total shareholders' equity plus the assumed proceeds from the exercise of outstanding stock options and warrants, divided by the sum of unvested restricted shares, stock options, warrants and share equivalents outstanding (assuming their exercise).

Reconciliations to the most comparable GAAP measure for both net operating income and diluted book value per share can be found in the company's latest earnings press release.

Net loss estimates and zonal aggregates are before income tax, net of reinstatement premiums, and net of reinsurance and retrocessional recoveries. The estimates set forth herein are based on an Occurrence basis on assumptions that are inherently subject to significant uncertainties and contingencies. These uncertainties and contingencies can affect actual losses and could cause actual losses to differ materially from those expressed above. In particular, modeled loss estimates do not necessarily accurately predict actual losses, and may significantly mis-estimate actual losses. Such estimates, therefore, should not be considered as a representation of actual losses.

The Company has developed the estimates of losses expected from certain catastrophes for its portfolio of property, marine, workers' compensation, and personal accident contracts using commercially available catastrophe models such as RMS, AIR and EQECAT, which are applied and adjusted by the Company. These estimates include assumptions regarding the location, size and magnitude of an event, the frequency of events, the construction type and damageability of property in a zone, policy terms and conditions and the cost of rebuilding property in a zone, among other assumptions. These assumptions will evolve following any actual event. Accordingly, if the estimates and assumptions that are entered into the risk model are incorrect, or if the risk model proves to be an inaccurate forecasting tool, the losses the Company might incur from an actual catastrophe could be materially higher than its expectation of losses generated from modeled catastrophe scenarios. In addition, many risks such as second-event covers, aggregate excess of loss, or attritional loss components cannot be fully evaluated using the vendor models. Further, there can be no assurance that such third party models are free of defects in the modeling logic or in the software code. Commencing in January 2012, the Company incorporated RMS version 11 as part of its vendor models.

Investors should not rely on the information set forth in this presentation when considering investment in the Company. The information contained in this presentation has not been audited nor has it been subject to independent verification. The estimates set forth herein speak only as of the date of this presentation and the Company undertakes no obligation to update or revise such information to reflect the occurrence of future events, including, but not limited to, the composition of the Company's business. The events presented reflect a specific set of proscribed calculations and do not necessarily reflect all events that may impact the Company.

Notes on Non-GAAP and Other Financial and Exposure Measures - Continued

The Company has presented the Company Realistic Disaster Scenarios for non-natural catastrophe events. Twice yearly, Lloyds' syndicates, including the Company's Talbot Syndicate 1183, are required to provide details of their potential exposures to specific disaster scenarios. Lloyds' makes its updated Realistic Disaster Scenarios (RDS) guidance available to the market annually. The RDS scenario specification document for 2011 can be accessed at the RDS part of the Lloyd's public website :

<http://www.lloyds.com/The-Market/Tools-and-Resources/Research/Exposure-Management/Realistic-Disaster-Scenarios>.

The Consolidated Pro Forma Net Premiums Earned used in the calculation represent the latest 12 months of net premium from January 1, 2011 and are on a pro forma basis, including IPC earned premiums.

Modeling catastrophe threat scenarios is a complex exercise involving numerous variables and is inherently subject to significant uncertainties and contingencies. These uncertainties and contingencies can affect actual losses and could cause actual losses incurred by the Company to differ materially from those expressed above. Should an event occur, the modeled outcomes may prove inadequate, possibly materially so. This may occur for a number of reasons including, legal requirements, model deficiency, non-modeled risks or data inaccuracies.

A modeled outcome of net loss from a single event also relies in significant part on the reinsurance and retrocession arrangements in place, or expected to be in place at the time of the analysis, and may change during the year. Modeled outcomes assume that the reinsurance and retrocession in place responds as expected with minimal reinsurance failure or dispute. Reinsurance is purchased to match the original exposure as far as possible, but it is possible for there to be a mismatch or gap in cover which could result in higher than modeled losses to the Company. In addition, many parts of the reinsurance program are purchased with limited reinstatements and, therefore, the number of claims or events which may be recovered from second or subsequent events is limited. It should also be noted that renewal dates of the reinsurance program do not necessarily coincide with those of the inwards business written. Where original business is not protected by risks attaching reinsurance or retrocession programs, the programs could expire resulting in an increase in the possible net loss retained by the Company.

Investors should not rely on the information set forth in this presentation when considering investment in the Company. The information contained in this presentation has not been audited nor has it been subject to independent verification. The estimates set forth above speak only as of the date of this presentation and the Company undertakes no obligation to update or revise such information to reflect the occurrence of future events. The events presented reflect a specific set of proscribed calculations and do not necessarily reflect all events that may impact the Company.